

Reserve
1.941
58Ag82

U. S. DEPT. OF AGRICULTURE
NATIONAL AGRICULTURAL

AUG 21 1963

FOR RELEASE
May 2, A. M.

AGRICULTURAL OUTLOOK DIGEST

CURRENT SERIAL RECORD

ECONOMIC RESEARCH SERVICE • U. S. D. A. • WASHINGTON, D. C. AOD-96 APRIL 1963

Total realized net farm income this year likely will be almost as high as \$12.9 billion in 1962. Realized net income per farm may continue around 1962 record high of \$3,500.

Cash receipts from marketings probably will change little overall from last year. Government payments will be up, possibly a tenth...prices paid are rising a little further.

Livestock prices received by farmers in 1963 are expected to average below last year due to increased supplies. Crop prices are expected to average about same as 1962 for entire year.

LIVESTOCK: Fed cattle prices likely will continue lower in second quarter than last year, with marketings considerably above 1962. Prices may rise in last half...but continue below year earlier.

Second quarter hog slaughter will be higher than 1962, but not by large margin. Fall hog prices this year may be lower than \$16.32 average in November-December 1962, with fall and early winter slaughter more than last year.

Spring sheep and lamb prices likely will rise \$3 or \$4 seasonally in May-June above March, about same as last year. Prices in last half of 1963 are expected to average a little higher than 1962.

DAIRY: Milk and cream prices received by farmers may average slightly lower this year than last, but marketings are likely to increase--leaving cash receipts close to 1962. Dairy support levels were again set at 75 percent of parity, effective April 1. For manufacturing grade milk, \$3.14 per hundredweight...3 cents above level year earlier, 26 cents below 2 years earlier. Manufacturing grade milk and milk fat prices are expected to decline seasonally in second quarter and remain close to support level...prices paid for milk used in bottling are declining seasonally.

Moderate weather and favorable pasture conditions might bring rise in second quarter milk production relative to 1962. January-March output was 0.9 percent lower than same period last year.

POULTRY AND EGGS: Egg prices in mid-April probably were near seasonal lows. Spring-to-fall price recovery this year may not be as great as last...would mean significantly lower prices in fourth quarter than year earlier. Second quarter egg production probably will be about same as 1962...but higher output is expected late in 1963 than year earlier.

Producer prices for broilers in second quarter are likely to continue slightly higher than year earlier. Supplies through June are expected to be a little smaller or about same as in March-May 1962.

Turkey prices likely will remain about same as year earlier in second quarter. Turkey supplies will be smaller. Only a small increase over last year in 1963 turkey crop is expected.

FEED GRAINS: Average prices probably will be above year earlier during remainder of marketing year. Reasons: Generally good demand and prospective tightening of free supplies this spring and summer. March prices were 4 percent higher than March 1962. Carryover into 1963-64 is expected to be 10 to 12 million tons below last year's 72 million.

WHEAT: National average loan rate for 1963-crop wheat is \$1.82 per bushel compared with \$2.00 in 1962. In addition, participants in 1963 program will receive 18-cent-per-bushel payment-in-kind. Price support level for certificate wheat in 1964 (about 80 percent of normal production) would be \$2 per bushel, if May 21 referendum is approved. Crop year for wheat will end June 30, with carryover lower than last year...forecast at 1,180 million bushels...a decline for second consecutive year.

SOYBEANS: Spring and summer prices likely will average above \$2.33 per bushel paid in April-September 1962. CCC price support loan takeover date for 1962-crop soybeans was extended 2 months, through next July 31, tending to stabilize soybean prices during planting months this spring.

Carryover stocks of old-crop beans next October 1 will be around 35 million bushels...sharply below same date last year and less than 1 month's requirement for crushings. Supply for rest of marketing year is slightly less than last...but needs will be higher this spring and summer.

COTTON: Minimum 1963-crop support prices are same as last year for Middling 1-inch cotton, 32.47 cents per pound, gross weight, at average location...and for extra-long staple, 53.17 cents per pound, net weight average of crop.

August 1 carryover is expected to be 2.8 million bales larger than last year or 10.6 million...largest since 1957. Reasons: Smaller domestic disappearance, increased world supplies, reduced exports...U. S. 1962 crop was largest since 1953.

WOOL: World prices likely will decline moderately remainder of marketing season, reflecting increased competition from lower-priced man-made fibers. A short supply-firm demand situation at beginning of year brought fine and medium wool prices to highest in nearly 5 years. World supplies are estimated less than previous marketing year...by around 50 million pounds. Consumption likely will be maintained at 1962 levels.

TOBACCO: Government price support levels for 1963 crops of eligible tobaccos are 1 percent higher than in 1962...increase based on rise in 3-year average of parity index, reflecting higher prices paid by farmers in 1960, 1961, and 1962 compared with 1959.

Cigarette output and consumption this year are expected to gain modestly over 1962 record highs. Cigar consumption may equal...perhaps increase some over last year.

VEGETABLES: Fresh vegetable prices into early or mid-June may average substantially below relatively high levels last year. Last year's higher prices into late spring were due to light harvestings caused by delayed crops.